



General Assembly

January Session, 2009

***Raised Bill No. 954***

LCO No. 3697

\*03697\_\_\_\_\_HS\_\*

Referred to Committee on Human Services

Introduced by:  
(HS)

***AN ACT CONCERNING PERSONAL SERVICE AGREEMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-212 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in sections 4-212 to 4-219, inclusive:

4 (1) "Competitive negotiation" means a procedure for contracting for  
5 services in which (A) proposals are solicited from qualified persons,  
6 firms or corporations by a request for proposals, and (B) changes may  
7 be negotiated in proposals and prices after being submitted.

8 (2) "Personal service contractor" means any person, firm or  
9 corporation not employed by the state, who is hired by a state agency  
10 for a fee to provide services to the agency. The term "personal service  
11 contractor" shall not include (A) a person, firm or corporation  
12 providing "contractual services", as defined in section 4a-50, to the  
13 state, (B) a "consultant", as defined in section 4b-55, (C) a "consultant",  
14 as defined in section 13b-20b, [providing services to the Department of  
15 Transportation,] (D) an agency of the federal government, of the state

16 or of a political subdivision of the state, or (E) a person, firm or  
17 corporation providing consultant services for information and  
18 telecommunications systems authorized under subdivision (5) of  
19 subsection (c) of section 4d-2.

20 (3) "Personal service agreement" means a written agreement  
21 defining the services or end product to be delivered by a personal  
22 service contractor to a state agency, excluding any agreement with a  
23 personal service contractor that the state accounting manual does not  
24 require to be submitted to the Comptroller.

25 (4) "Secretary" means the Secretary of the Office of Policy and  
26 Management.

27 (5) "State agency" means a department, board, council, commission,  
28 institution or other executive branch agency. [of the Executive  
29 Department of the state government.]

30 Sec. 2. Section 4-214 of the general statutes is repealed and the  
31 following is substituted in lieu thereof (*Effective from passage*):

32 [(a)] Each personal service agreement executed on or after July 1,  
33 1994, and having a cost of not more than twenty thousand dollars and  
34 a term of not more than one year shall be based, when possible, on  
35 competitive negotiation or competitive quotations.

36 [(b)] Not later than thirty days after the end of each six-month  
37 period, beginning with the six-month period ending on December 31,  
38 1994, each state agency shall submit a report to the secretary indicating  
39 (1) for each personal service agreement described in subsection (a) of  
40 this section that is executed during the six-month period, the name of  
41 the personal service contractor, a description of the services to be  
42 provided, the term and cost of the agreement and the method of  
43 selecting the contractor and (2) for each personal service agreement  
44 described in said subsection (a) that is in effect during the six-month  
45 period, the amount of all payments made during the six-month period

46 to the contractor, by fund, and the amount of any federal or private  
47 funds allocated for such payments.]

48 Sec. 3. Section 4-215 of the general statutes is repealed and the  
49 following is substituted in lieu thereof (*Effective from passage*):

50 [(a)] Each personal service agreement executed on or after July 1,  
51 1994, and having a cost of more than twenty thousand dollars but not  
52 more than fifty thousand dollars and a term of not more than one year  
53 shall be based on competitive negotiation or competitive quotations,  
54 unless the state agency purchasing the personal services determines  
55 that a sole source purchase is required and applies to the secretary for  
56 a waiver from such requirement and the secretary grants the waiver.  
57 Not later than March 1, 1994, the secretary shall adopt guidelines for  
58 determining the types of services that may qualify for such waivers.  
59 The qualifying services shall include, but not be limited to, (1) services  
60 for which the cost to the state of a competitive selection procedure  
61 would outweigh the benefits of such procedure, as documented by the  
62 state agency, (2) proprietary services, (3) services to be provided by a  
63 contractor mandated by the general statutes or a public or special act,  
64 and (4) emergency services, including services needed for the  
65 protection of life or health.

66 [(b)] Each state agency shall submit the following information to the  
67 secretary concerning each proposed personal service agreement  
68 described in subsection (a) of this section, at the same time that it  
69 submits the agreement to the Commissioner of Administrative  
70 Services or the Attorney General: The name of the personal service  
71 contractor, a description of the services to be provided, the term and  
72 cost of the agreement, the method of selecting the contractor, the state  
73 fund from which the contractor will be paid and whether any federal  
74 or private funds will be allocated for such payments.]

75 Sec. 4. Subsection (b) of section 4-216 of the general statutes is  
76 repealed and the following is substituted in lieu thereof (*Effective from*  
77 *passage*):

78 (b) Each personal service agreement having a cost of more than fifty  
 79 thousand dollars or a term of more than one year shall be based on  
 80 competitive negotiation or competitive quotations, unless the state  
 81 agency purchasing the personal services applies to the secretary for a  
 82 waiver from such requirement and the secretary grants the waiver in  
 83 accordance with the guidelines adopted under [subsection (a) of]  
 84 section 4-215, as amended by this act.

85 Sec. 5. Section 4-218 of the general statutes is repealed and the  
 86 following is substituted in lieu thereof (*Effective October 1, 2009*):

87 (a) Not later than [thirty days after the end of each six-month  
 88 period, beginning with the six-month period ending on December 31,  
 89 1994, each contracting agency shall submit a report to] October 1, 2009,  
 90 and annually thereafter, the secretary shall submit a report to the  
 91 General Assembly indicating (1) for each personal service agreement,  
 92 pursuant to sections 4-214 to 4-216, inclusive, as amended by this act,  
 93 and executed during [such six-month period with a person, firm or  
 94 corporation providing "contractual services", as defined in section 4a-  
 95 50, to the state, a "consultant", as defined in section 4b-55, or an agency  
 96 of the federal government, of the state or of a political subdivision of  
 97 the state] the preceding fiscal year, (A) the name of the [person, firm or  
 98 corporation] personal service contractor, (B) a description of the  
 99 services [to be] provided, (C) the term and cost of the agreement, and  
 100 (D) the method of selecting the [person, firm or corporation] personal  
 101 service contractor; and (2) for each such agreement either executed or  
 102 otherwise in effect during the [six-month period] preceding fiscal year,  
 103 (A) the amount of all payments made during the [six-month period to  
 104 the person, firm or corporation, by fund] preceding fiscal year to the  
 105 personal service contractor, and (B) the amount of any federal or  
 106 private funds allocated for such payments. [No state agency utilizing  
 107 contractual services hired by using a purchase order approved and  
 108 committed by the State Comptroller shall be required to submit a  
 109 report to the secretary.]

(b) Not later than [thirty days after the end of each six-month period, beginning with the six-month period ending on December 31, 1995, the Department of Transportation shall submit a report to] October 1, 2009, and annually thereafter, the secretary shall submit a report to the General Assembly indicating (1) for each agreement executed during [such six-month period with] the preceding fiscal year with a person, firm or corporation providing contractual services, as defined in section 4a-50, a consultant, as defined in section 4b-55, a "consultant", as defined in section 13b-20b, or an agency of the federal government, of the state or of a political subdivision of the state, (A) the name of the person, firm or corporation, (B) a description of the services [to be] provided, (C) the term and cost of the agreement and (D) the method of selecting the person, firm or corporation; and (2) for each such agreement either executed or otherwise in effect during the [six-month period] preceding fiscal year, (A) the amount of all payments made during the [six-month period] preceding fiscal year to the person, firm or corporation, [by fund,] and (B) the amount of any federal or private funds allocated for such payments.

[(c) Not later than September 1, 1995, and annually thereafter, the secretary shall submit a report to the General Assembly summarizing information received pursuant to subsection (b) of section 4-214, subsection (b) of section 4-215, subsection (a) of section 4-216, and subsections (a) and (b) of section 4-218 for the preceding fiscal year.]

Sec. 6. Section 4-70b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section:

(1) "Purchase of service contract" (A) means a contract between a state agency and a private provider organization or municipality for the purpose of obtaining direct health and human services for agency clients and generally not for administrative or clerical services, material goods, training or consulting services, and (B) does not include a contract with an individual;

142     (2) "Secretary" means the Secretary of the Office of Policy and  
143     Management;

144     (3) "State agency" means any department, board, council,  
145     commission, institution or other executive branch agency of state  
146     government;

147     (4) "Municipality" means a town or any other political subdivision  
148     of the state, including any local or regional board of education or  
149     health district that is created or designated by the town to act on behalf  
150     of the town; and

151     (5) "Private provider organization" means a nonstate entity that is  
152     either a nonprofit or proprietary corporation or partnership which  
153     receives funds from the state, and may receive federal or other funds,  
154     to provide direct health or human services to agency clients.

155     [(a)] (b) The Secretary of the Office of Policy and Management shall  
156     establish an Office of Finance under the direction of an executive  
157     financial officer. The secretary shall assist the Governor in his duties  
158     respecting the formulation of the budget and the correlating and  
159     revising of estimates and requests for appropriations of all budgeted  
160     agencies and shall also assist the Governor in his duties respecting the  
161     investigation, supervision and coordination of the expenditures and  
162     other fiscal operations of such budgeted agencies.

163     [(b)] (c) Said secretary shall direct internal management consultant  
164     services to state agencies in such areas as administrative management,  
165     facility planning and review, management systems and program  
166     evaluation and such other special studies and analyses as he deems  
167     necessary.

168     [(c)] (d) The secretary shall establish uniform policies and  
169     procedures for obtaining, managing and evaluating the quality and  
170     cost effectiveness of direct health and human services purchased from  
171     [private providers] a private provider organization or municipality.

172 The secretary shall require all state agencies which purchase direct  
 173 health and human services comply with such policies and procedures.  
 174 [The secretary shall report to the General Assembly on or before  
 175 January 1, 2008, and biennially thereafter, on the system for the  
 176 purchase of such services in the state. The report shall include an  
 177 analysis of (1) the relationship between the number of providers of a  
 178 particular service in a region and the cost of the service, and (2) the  
 179 impact of the state's policies and procedures for the purchase of health  
 180 and human services on the cost of purchasing such services.]

181 ~~[(d)]~~ (e) Purchase of service contracts shall be subject to the  
 182 competitive procurement provisions of sections 4-212 to 4-219,  
 183 inclusive, as amended by this act. The secretary may waive the  
 184 competitive procurement requirements set forth in chapter 55a with  
 185 respect to any purchase of service contract between a state agency and  
 186 a private provider of human services. [For purposes of this subsection,  
 187 "purchase of service contract" means a contract between a state agency  
 188 and a private provider organization or municipality for the purchase  
 189 of ongoing direct health and human services for agency clients.]

190 ~~[(e)]~~ (f) In order to ensure continuity of care in the delivery of health  
 191 and human services, on or before January 1, 2008, the secretary shall,  
 192 in consultation with the Connecticut Nonprofit Human Services  
 193 Cabinet and representatives of state agencies which provide health and  
 194 human services, develop a plan for the competitive procurement of  
 195 such services. On or before February 1, 2008, the secretary shall submit  
 196 such plan to the joint standing committees of the General Assembly  
 197 having cognizance of matters relating to human services and public  
 198 health. In developing the plan the secretary shall give consideration to  
 199 the following factors: (1) The current market rate for the services  
 200 provided, (2) whether services provided by a new private provider  
 201 assure the health, safety and well-being of service recipients, (3)  
 202 whether services provided by a new private provider assure that  
 203 community-based services are conveniently located and readily  
 204 accessible for service recipients, (4) whether selection of a new private

205 provider can avoid unnecessary challenges of local zoning law, and (5)  
206 whether selection of a new private provider can avoid creating a  
207 conflict with the current service provider's existing bonding contracts  
208 or placing the current service provider at risk for losing bonding  
209 investment. The secretary may implement such plan on or after July 1,  
210 2008.

211 (g) No state agency may hire a private provider organization or  
212 municipality to provide direct health or human services to agency  
213 clients without executing a purchase of service contract with such  
214 private provider organization or municipality.

215 Sec. 7. Subsection (b) of section 4-216 of the general statutes is  
216 repealed and the following is substituted in lieu thereof (*Effective from*  
217 *passage*):

218 (b) Each personal service agreement having a cost of more than fifty  
219 thousand dollars or a term of more than one year shall be based on  
220 competitive negotiation or competitive quotations, unless the state  
221 agency purchasing the personal services applies to the secretary for a  
222 waiver from such requirement and the secretary grants the waiver in  
223 accordance with the guidelines adopted under [subsection (a) of]  
224 section 4-215, as amended by this act.

225 Sec. 8. Subsection (e) of section 17a-218 of the general statutes is  
226 repealed and the following is substituted in lieu thereof (*Effective from*  
227 *passage*):

228 (e) The commissioner may, within available appropriations and in  
229 accordance with individualized plans of care, provide a full range of  
230 services to support persons with mental retardation living with their  
231 families, caretakers, independently or in community-based residential  
232 facilities licensed pursuant to section 17a-227. Such services may  
233 include, but are not limited to, education and training programs, social  
234 services, counseling services, medical services, physical or  
235 occupational therapy, parent training, recreation and transportation.



236 Such services may be provided by the department or be purchased  
 237 from persons or private agencies through contracts pursuant to  
 238 subsection [(c)] (d) of section 4-70b, as amended by this act, or  
 239 purchased directly by the service recipient or his family. The  
 240 department may provide a direct subsidy to persons with mental  
 241 retardation or their families to be used for such purchases of such  
 242 support services. The recipient of such subsidy shall provide a  
 243 documented accounting of such subsidy to the department.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	4-212
Sec. 2	<i>from passage</i>	4-214
Sec. 3	<i>from passage</i>	4-215
Sec. 4	<i>from passage</i>	4-216(b)
Sec. 5	<i>October 1, 2009</i>	4-218
Sec. 6	<i>from passage</i>	4-70b
Sec. 7	<i>from passage</i>	4-216(b)
Sec. 8	<i>from passage</i>	17a-218(e)

***Statement of Purpose:***

To omit the requirements for filing reports concerning personal service agreements and to change the process for state agencies to enter into purchase of service agreements.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*